

**Response of  
Wisconsin Power and Light Company and  
Wisconsin Electric Power Company  
to  
The Public Service Commission of Wisconsin  
Data Request No. 6.01**

Docket Number: 05-CE-137  
 Date of Request: August 27, 2009  
 Information Requested By: Jim Lepinski  
 Date Responded: September 14, 2009  
 Author: Jeff Knier/Joe Holliman  
 Author's Title: Mgr. Engineering Projects/Sr. Asset Strategy Consultant  
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Provide an updated schedule for the project. If the scheduled in-service date for the project is before January 2012 (since the compliance date for the NO<sub>x</sub> rule is in 2013), provide a detailed analysis of the present value revenue requirements between the schedule proposed in the application (Spring 2011) and an alternative schedule with a Fall 2012 in service date. Provide all documentation of any differences in material and other costs and all cost escalations used in the analysis.

**Response:**

Given the deviation in schedule from the expected CA approval date outlined in the application, the forecasted project completion date has been shifted from the Spring of 2011 to the Fall of 2012. The table listed below shows the revised schedule milestones based upon the change in CA approval date.

<b><i>Milestone</i></b>	<b><i>Date in Application</i></b>	<b><i>Revised Date</i></b>
Issue Request for Proposal (RFP) for engineering and procurement	Aug-08	Aug-08
Issue RFP for Constructor	Oct-08	Oct-09
Submit CA application to PSCW	Nov-08	Nov-08
Award engineering and procurement contract (limited notice to proceed)	Mar-09	Oct-09
Award constructor contract (limited notice to proceed)	May-09	May-10
Receive CA final order (Expected)	Nov-09	Apr-10
Begin Construction	Post CA approval	Sep-10
Edgewater Unit 5 SCR project completion	Spring 2011	Fall 2012

WPL's Engineering Consultant, URS – Washington Division, believes additional project cost escalation associated with this delay is likely to be within the -5/+15% cost estimate accuracy listed within the application.

Detailed engineering on the SCR project has not been initiated at this time so it is not possible to document the differences in material and other costs associated with this change.

Since a new estimate has not been performed, WPL believes it would not be worthwhile to perform additional EGEAS runs. Assuming that costs remain in the -5/+15% range, WPL believes that the present value revenue requirement impacts would be minimal based on the EGEAS runs already performed in Future 4. Future 4 models a low retention value under the following economic conditions that differ from the base future, Future 1:

- Natural gas prices low;
- Coal prices high;
- Purchase power prices consistent with gas and coal prices;
- Project costs are 20% above the estimate; and
- Nuclear Power is available after 2020.

Under this scenario, project costs are assumed to exceed the estimate by 20 percent. Under this future, the EGEAS results favor Plan 1 (SCR Installation) over Plan 2 (Retirement) showing a cost savings to WPL and its customers of \$369.9 million to install the SCR.